



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

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Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

Partial:___ Complete: XXX Exploration:___

Inspection Date & Time: 1/21,24/2000 / 10:00a.m.-3:00p.m.

Date of Last Inspection: 12/6/99

Mine Name: Horizon Mine County: Carbon Permit Number: ACT/007/020

Permittee and/or Operator's Name: Horizon Mining LLC

Business Address: PO Box 599, Helper Utah 84526

Type of Mining Activity: Underground XXX Surface___ Prep. Plant___ Other___

Company Official(s): Vicky Miller

State Officials(s): Bill Malencik Federal Official(s): None

Weather Conditions: Partly Cloudy, Snow Covered

Existing Acreage: Permitted- 317 Disturbed- 9 Regraded-___ Seeded-___ Bonded- 9

Increased/Decreased: Permitted-___ Disturbed-___ Regraded-___ Seeded-___ Bonded-___

Status: Exploration/ XXX Active/___ Inactive/___ Temporary Cessation/___ Bond Forfeiture

Reclamation (Phase I/Phase II/ Final Bond Release/___ Liability___ Year)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

Instructions

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 - For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
 - For partial inspections check only the elements evaluated.
- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	EVALUATED	N/A	COMMENTS	NOV/ENF
1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	<u>XX</u>	<input type="checkbox"/>	<u>XX</u>	<input type="checkbox"/>
2. SIGNS AND MARKERS	<u>XX</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. TOPSOIL	<u>XX</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<u>XX</u>	<input type="checkbox"/>	<u>XX</u>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<u>XX</u>	<input type="checkbox"/>	<u>XX</u>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<u>XX</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<u>XX</u>	<input type="checkbox"/>	<u>XX</u>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<u>XX</u>	<input type="checkbox"/>	<u>XX</u>	<input type="checkbox"/>
5. EXPLOSIVES	<u>XX</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<u>XX</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	<u>XX</u>	<input type="checkbox"/>	<u>XX</u>	<input type="checkbox"/>
8. NONCOAL WASTE	<u>XX</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES	<u>XX</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<u>XX</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<u>XX</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<u>XX</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<u>XX</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<u>XX</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<u>XX</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<u>XX</u>	<input type="checkbox"/>	<u>XX</u>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<u>XX</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<u>XX</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<u>XX</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4th Quarter-April, May, June)_____ (date)	<u>XX</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<u>XX</u>	<input type="checkbox"/>	<u>XX</u>	<input type="checkbox"/>
21. BONDING & INSURANCE	<u>XX</u>	<input type="checkbox"/>	<u>XX</u>	<input type="checkbox"/>

INSPECTION REPORT
(Continuation sheet)

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PERMIT NUMBER: ACT/007/020

DATE OF INSPECTION: 1/21,24//2000

(Comments are Numbered to Correspond with Topics Listed Above)

GENERAL COMMENTS

Performed a complete inspection of the Horizon Mine. The following things were noted at the mine or through discussions with the three people at the mine site:

- Fifteen loads of coal were taken the White Oak.
- The flow meter has been installed on the surface.
- A mine water amendment has been submitted by Horizon. It is deficient because it has not been designed.
- The mine responded to the outstanding Division Order 99B. It looked okay.
- A meeting was held in Salt Lake City with DOGM, EarthFax, and company representatives on the federal lease. Three options were discussed: Option I - less than full lease; Option II - full federal lease; Option III - reclamation. My impression is the permittee favors less than the full permit. He will submit an updated permit application, I believe on part of the federal lease.

1. **PERMITS, CHANGE, TRANSFER, RENEWAL, SALE**

UPDES Application

A UPDES permit has been issued covering the pond 001. The permittee submitted an amendment to cover the new discharge for 002. This addition of 002 to the UPDES permit has been approved by DEQ and covers the mine water discharge per new outfall 002.

BLM Federal Coal Lease

BLM has awarded Horizon a federal lease on 1288 acres. A completed application was submitted and declared complete by the Division on 6/4/99. However, the permittee stated the complete package was returned to the consultant.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The two main diversions, Jewkes Creek and Portal Canyon, plus internal smaller diversion have been designed and approved by the Division.

One diversion was flowing during the inspection, IE., Jewkes Creek.

The northerly ditch was the subject of some concern because of equipment parking next to the ditch. This equipment was moved.

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4B. HYDROLOGIC BALANCE: SEDIMENT PONDS

The first quarter pond inspection report was inspected and reported on 1/25/2000. The report was certified. The pond was not discharging.

4D. HYDROLOGIC BALANCE: WATER MONITORING

On December 14, 1999, the operator received copies of the November sampling results.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

UPDES reports were submitted for December 1999.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The matter of coal mine waste has been settled with this understanding that what was referred to as coal waste is high ash coal. This was documented in the board chairman's decision.

On page 11 of the interlocutory order, Chairman Lauriski stated, " DOGM conceded that the pile in question, called the coal waste pile, is a high ash coal pile." Also, he granted temporary relief on Division Order 1, 2, and 4; further, upheld 3a and 3b with exception of identifying the coal waste pile as a waste pile.

Coal waste, as originally approved by the Division, provides for temporary storage on the mine pad. Permanent or final disposition was not authorized in the original MRP. An amendment was approved October 98 authorizing permanent storage of existing coal waste for utilization at the Sunnyside Cogeneration permit area and thence to the adjoining power plant.

16A. ROADS: CONSTRUCTION/MAINTENANCE/SURFACING

The mine had pulled back the coal piles from the road. The pile is about 30 feet from the road ditch.

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20. AIR QUALITY PERMIT

The permittee's air quality order issued by DEQ authorizes 2000 tons of coal to be stored on the surface. The current storage of coal exceeds the DEQ permitted limits. This is based on Wayne Western's measurements as documented in the file. The air quality order needs to be updated before mining to cover equipment and amount of coal that will be mined and stored on the mine site. They are complying with DEQ directions and have started the modeling program.

21. BONDING AND INSURANCE

The bonding and insurance documents are of record and are contained in the inspections looseleaf booklet maintained by the mine. Received new liability insurance documents from the Division this month.

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas, and Mining.

Copy of this Report:

Mailed to: David Miller/Vicky Miller (Horizon/EarthFax) Henry Austin (OSM)
Given to: Pam Grubaugh-Littig (DOGM) Filed to: Price Field Office
Date: January 27, 2000

Inspector's Signature: _____

Wm. J. Malencik

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